

Strategic Plan 2000

DLA 21

Our Vision

*Right Item, Right Time,
Right Place, Right Price,
Every Time... Best Value Solutions
For America's Warfighters*

ONE TEAM...ONE FOCUS
AROUND THE CLOCK, AROUND THE WORLD

**Defense
Logistics
Agency**

**The Defense Logistics Agency
Headquarters Complex
8725 John J. Kingman Road
Fort Belvoir, Virginia 22060-6220**

<http://www.dla.mil>
<http://www.reinvent.dla.mil>
<http://www.dcmc.hq.dla.mil/>
<http://www.supply.dla.mil/>
<http://www.daps.mil/>

Published September 1999

Director's Message

To All Members of the Defense Logistics Agency

The purpose of this document is to provide a road map to lead DLA into the next century. We started with our 1998 Strategic Plan as a baseline, and assessed how well we had done against it. We used feedback from our workforce, the Military Services and warfighting CINCS, our stakeholders, and our suppliers, and incorporated our OSD Performance Contract and the DoD Logistics Strategic Plan (21st Century Logistics) in our development. It reflects anticipated changes in our environment and the requirements for logistics on the 21st century battlefield. It ensures that DLA will be better prepared to provide logistics and contract management support to America's warfighters in the next millennium.

We call our new Strategic Plan, with its five pillars or enablers of CUSTOMER KNOWLEDGE/FOCUS, BUSINESS SYSTEMS MODERNIZATION, STRATEGIC SOURCING OF MATERIEL, WORKFORCE DEVELOPMENT, AND ORGANIZATIONAL REDESIGN, ***DLA 21***.

It is essential every member of the DLA Team not only become familiar with the contents and intent of ***DLA 21***, but also that they commit to the plan. Each and every one of us must work together for "One Team ...One Focus" to make our vision of providing *the right item - at the right time - to the right place - at the right price, every time...best value solutions* a reality. America's warfighters deserve no less and are counting on us to make this happen. ***DLA 21*** is the path to success.

HENRY T. GLISSON
Lieutenant General, USA
Director

FOREWARD

This strategic plan represents a step forward into the 21st century. It reflects transitions and changes directed by higher level organizations, responds to dynamic political and international situations, and prepares us for rapid technological advances. We solicited input and feedback from our customers and employees, from our stakeholders and suppliers. In addition, we engaged in scenario planning and envisioned multiple future states during our deliberations for this plan.

In a parallel effort to our strategic planning process, DLA executives have selected DLA operational concepts and organizational structures to best serve the future needs of the Department of Defense and our warfighting customers. Designated “DLA 21”, the group identified five pillars – or enablers – to get us to our future state and help achieve our vision of DLA in the new millennium.



Transforming DLA Into a Smaller, More Agile, Logistics Combat Support Agency
Able to Provide Better, Faster, Best Value Support
to the Joint Vision 2010 Warfighter.

DLA 21 – The DLA Strategic Plan for Entering the 21st Century

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
Director’s Message	1
Foreward	2
Table of Contents	3
Mission and Vision	4
DLA Commitment	4
DLA Customer Bill of Rights	5
DLA Story	6
Values	7
Core Competencies	8
Environmental Assessment	10
Goals and Objectives	12
Linkages	15
DoD and DLA Goals and Objectives	16
Implementation	18
Deployment	18
Integration	19
Program Evaluation	19
Consultation	20
Cross-Cutting Endeavors	21
Executive Management Team Commitment	22

OUR MISSION...

To provide best value logistics and contract management support to America's Armed Forces, in peace and war... around the clock, around the world.

OUR VISION...

Right Item, Right Time, Right Place, Right Price.
Every Time...Best Value Solutions For America's Warfighters.

OUR DLA COMMITMENT:

We are warrior-focused professionals, an integral part of the joint Armed Forces team. We know that victory by America's Armed Forces and the lives of service members depend on us. They can count on us to be there, every time, wherever they are, providing required support...around the clock around the world. We make a difference. We are Team DLA. We are proud!

DLA Customer Bill of Rights

***What warfighters should expect and demand from DLA.
What DLA will do to meet our commitment to the warfighter.***

1. Right Focus: DLA will perform as an integral part of the warfighting team.

DLA will focus on warfighter needs by:

- Supporting weapons systems readiness.
- Providing exceptional customer service through a network of local support representatives and easy access via 1-888-DLA-CALL.
- Projecting a forward presence in theater through the DLA Contingency Support Team performance of logistics support and services and contingency contract administration.
- Improving customer satisfaction by listening to the customer and making necessary changes in materiel management, contract management, and support services business processes.

2. Right Time: DLA will provide fast and reliable support to the warfighter.

DLA will be responsive to customer requirements by:

- Improving Logistics Response Time continuously.
- Making great support arrangements like Direct Vendor Delivery contracts.
- Providing tailored logistics support like Premium and Dedicated Truck delivery services.
- Filling backorders quickly.

3. Right Product: DLA will provide the right items and services to the warfighter.

DLA will meet customer requirements by:

- Ensuring product quality and conformance with customer specifications.
- Making sure the right items are available to the customer.
- Minimizing and correcting discrepancies and their impact on the customer.

4. Right Price: DLA will provide best value products and services.

DLA will serve the warfighter economically by:

- Reducing infrastructure and its impact on customer price.
- Minimizing customer price change.
- Using excess and reusing disposal assets.
- Buying smartly.

5. Right Measures: DLA will use customer driven measures of success.

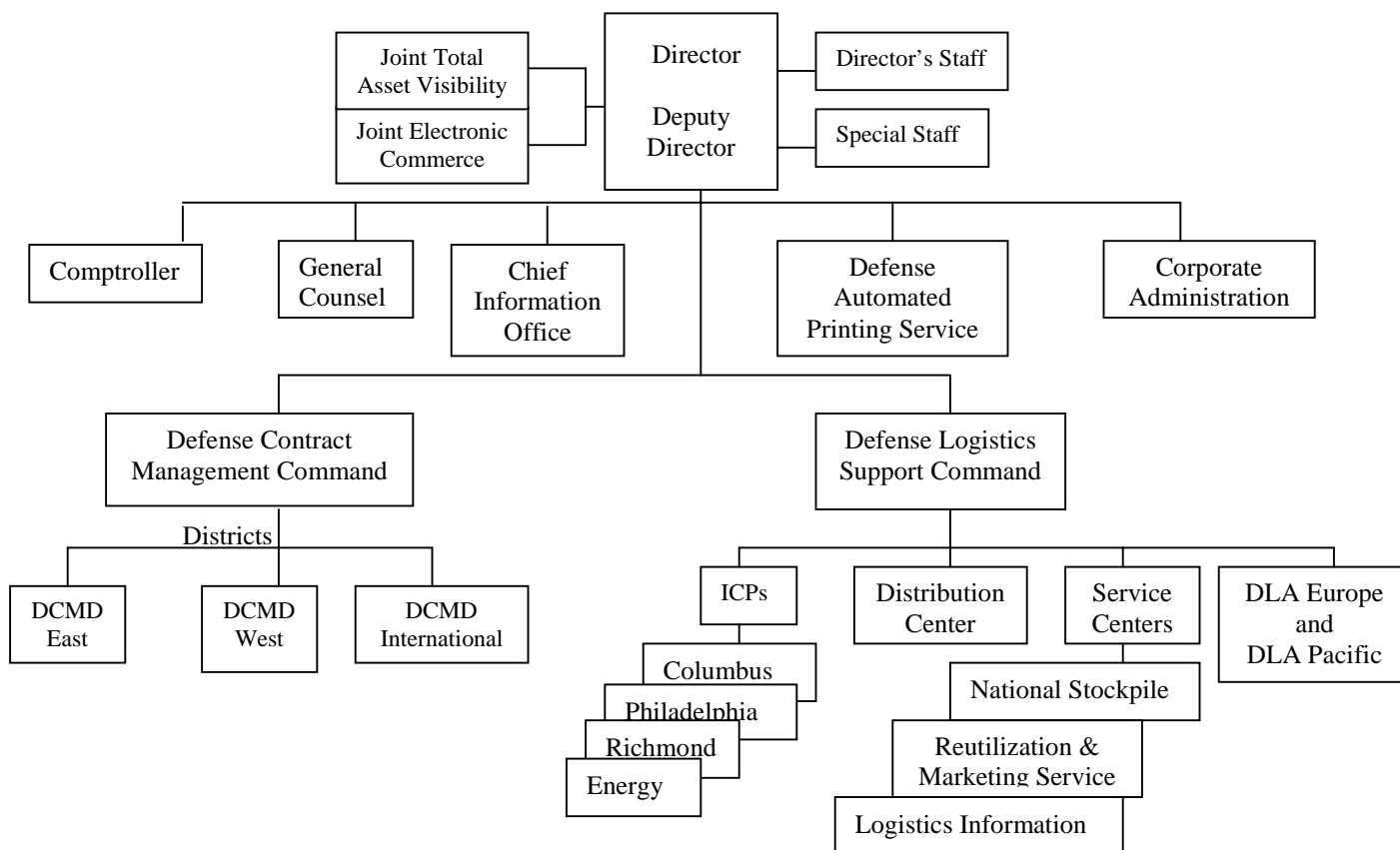
DLA will measure success in customer terms by:

- Reviewing progress against corporate customer goals and operational objectives.
- Using measures preferred by the customer.
- Contracting for the right level of performance in services.

THE DEFENSE LOGISTICS AGENCY

In 1961 as the Defense Supply Agency, DLA managed consumable items of supply, the federal supply catalog, the DoD industrial plant equipment reserve, and the surplus disposal program for the Military Services. Today, DLA has evolved into a large-scale logistics combat support agency with broader and more complex DoD and joint missions. DLA works behind the scenes daily to put best value equipment, weapon systems, services, and supplies wherever in the world they are needed by America's warfighters.

We accomplish this primarily through three organizations: the Agency's Defense Logistics Support Command (DLSC), responsible for materiel acquisition and management; the Defense Contract Management Command (DCMC), responsible for contract management; and the Defense Automated Printing Service (DAPS), responsible for providing worldwide automated printing and documentation services. These organizations have both a United States and an overseas presence which is an integrated part of the warfighters' readiness team. The talented workforce at four supply centers, one distribution center, three contract management districts, three service centers, and five DAPS area offices continuously applies reengineering, reinvention, and innovation to meet our constantly changing mission. It is our job to ensure the warfighters are never logistically unprepared. We partner with industry and our customers to provide the best value support. Every day thousands of DLA civilian and military personnel do whatever it takes to support the warfighters. This spirit and commitment permeate every part of DLA, binding us to our ultimate customers --America's soldiers, sailors, airmen and marines.



OUR VALUES

*Values are the ideals that we care about and consider important.
They are the basis for our actions. Values are commitments we
make to ourselves and to our stakeholders. They form the basis
for our relations with our teammates and partners.
They guide us when we make decisions.*

People. We value all our people and our diversity - those just getting started in their careers and those contributing years of experience; those of all national origins, races, creeds and religions. We recognize that each individual has a unique contribution to make to the success of our Agency, and that we have an obligation to work to give each individual the opportunity to make a contribution. Our leaders at all levels of the organization have a commitment to employee growth, and are committed to investing in employee education. We are a community working as a team of many individuals with different backgrounds, different viewpoints, different skills, and different insights. With mutual trust of each other, respect for all contributions, support of each team member, wide participation and information sharing, and a safe workplace, we grow as a learning organization.

Service. We are committed to excellence in customer service. Our goal is to listen to our customers, focus on their needs, and strive to exceed our customers' expectations. We focus on individual and team contributions to meet our customers' needs and encourage a relationship of mutual trust and respect. We strive to be an integral part of the warfighting team - a world-class logistics provider. We actively solicit feedback from customers so we can improve our service and their trust in us.

Excellence. We value professionalism and quality. We do things right the first time. We actively seek professional and personal growth and certification to meet the highest standards of quality performance and teamwork. We consistently deliver quality products and services to our customers. We recognize and reward our employees for their contributions made in support of our customers, and communicate successes and exceptional achievement throughout the organization. Our leaders and employees have a commitment to the Agency's vision and goals.

Integrity. We value personal and organizational integrity. We operate with the highest standards of ethical conduct. Our employees adhere to the law and operate within their authority. Honesty and fairness are fundamental to our dealings with each other and with our stakeholders. We take accountability for the resources entrusted to our care as a top priority. Our leaders and our employees ensure everyone is treated fairly. They carefully evaluate their decisions for ethical implications, including: safety, environmental protection, privacy and human rights considerations. We strive to achieve and preserve environmental quality for all activities, operations, and installations.

Innovation. We value innovation. We recognize that good ideas come from every member of the organization and we provide an environment in which those ideas can easily surface and blossom. We constantly seek improvements that add value for our customers. We honor tradition, but will not let it be an impediment to change. We are flexible in changing our processes and our behaviors to improve customer service. As a learning organization, we are constantly improving our business practices and procedures through teamwork and a desire to excel.

Our Core Competencies

The unique combination of skills, processes, technologies and knowledge bases at which we excel.

Customer Knowledge: Knowing and anticipating our customers' needs.

Customer Knowledge is the ability to comprehend in detail the customer's static and dynamic requirements and expectations in a continually changing organizational and operational environment. Our on-site representatives work side-by-side with customers to learn about their needs, providing assistance and contributing value as an integral part of a team in a relationship that is built on trust, confidence, and loyalty. This is coupled with the ability to empower the customer through direct access to knowledge about DLA products and services.

Our understanding of our customers is at the level of the specific DLA product and service supplied and we constantly seek to improve our knowledge of our customer base. We make information about our products and services easily accessible to our customers through mechanisms such as the EMALL.

Logistics information Management: Applying information management technology to enhance logistics and contract management support to our customers.

Logistics Information Management is the application of information technology to the management of logistics in support of the Agency's business operations.

Expanded use of technology has improved logistics across DLA's supply chain. Logistics management systems cover the entire supply chain, including order processing, inventory management, warehousing, shipping, and customer service. These systems track sales and costs by product. Further, they track requisitions, purchase orders, and stock movements, and are designed to maximize productivity and minimize response time. They provide vital linkages to DLA's customers and suppliers. Our advanced systems are integration devices used to track materials, supplies, and products from vendor to customer. Other applications, such as bar coding, increase the accuracy of data capture and facilitate the physical handling of products. In turn, overall cycle time in the supply chain is shortened, reducing inventory levels and safety stock.

Integrated Combat Logistic Solutions: Insuring best value solutions across the supply chain. . .from the factory to the foxhole, airhead, deck of the ship

Integrated Combat Logistics Solutions are remedies to complex logistics problems, coordinated among the Services and across DoD to meet combat support requirements, whether in peace or war. DLA is a combat support agency whose logistics solutions are integrated from two standpoints:

--Integrated throughout the supply chain to represent the best value and performance across all aspects of supply from industry to customer; and

--Integrated throughout the Agency to represent not just an acquisition, distribution, supply management or disposal solution, but a solution which transcends any single business area and integrates aspects of all business areas and as appropriate, the commercial sector.

Rapid Worldwide Response: Responding to logistics and contract support needs on short notice

Rapid Worldwide Response is the capability to respond and provide increased, specialized logistics services and contract administration to support routine and emergency operations – ranging from war and full scale military engagements to peacekeeping missions, humanitarian assistance, and relief efforts for natural or human disasters. DLA systematically maintains contingency response capabilities by continuously engaging in deliberate crisis planning with Commanders-in-Chief (CINCs) around the world to match DLA support with wartime needs. Our Logistics Readiness Center monitors world events and in times of crisis and contingency serves as the command and control link to the Joint Staff and DLA components around the world. As events develop, we deploy contingency support teams and other DLA experts from throughout the agency (Defense Contract Management Command, Defense Energy Support Center, Defense Reutilization and Marketing Service, and Inventory Control Points) to the scene to concentrate the Agency's full resources on supporting the warfighters. DLA is not only a CONUS wholesale operation; it is a partner with customers providing tailored logistics support and services to the warfighters.

Single Face to Industry: Providing industry with consistency, continuity, and predictability

Single Face to Industry means a single government voice for contracting, whether in award of multi-year prime vendor contracts to effect unit costs savings across the Department or in contract administration to protect public interests, encourage contractor self-governance, and stimulate continuous performance improvement.

DLA provides a single face to industry for administration of DoD contracts through the Defense Contract Management Command (DCMC). DCMC shares a constancy of purpose with its customers, as well as the DoD program and buying offices. Its goal is to administer government contracts efficiently and consistently in support of program objectives across the defense industry.

Similarly, the Defense Logistics Support Command (DLSC) "lead center concept" is an integral part of DLA's Single Face to Industry. The "lead center concept" provides each Inventory Control Point with a clear and distinct mission (e.g., aviation, ground and sea, troop support, and energy) and enables DLA to quickly respond to the external environment with flexibility and focus while encouraging best value sourcing from our industry partners.

21st Century Environmental Assessment and Logistical Implications

Full range of military operations

DoD will be involved in the full range of military operations - from part of a multi-national force engaging in large scale combat contingencies, to humanitarian assistance efforts, relying on joint operations and the engagement of highly mobile, small combat forces. DLA will need to provide timely and responsive focused logistics support across this entire spectrum

DLA must be able to fuse logistics and transportation information to provide rapid crisis response, to track and shift assets even while en-route, and to deliver tailored logistical packages and sustainment across the entire spectrum of conflict. A "Revolution in Military Affairs" will require a "Revolution in Business Affairs," transforming logistics into a technology-facilitated and distribution-driven system exploiting improvements in commercial information systems to gain total asset visibility and management of the entire supply chain.

DLA's Contingency Support Teams, Customer Service Representatives, and Liaison Officers will be employed further into the Area of Operations, and become an integral part of the joint warfighting team.

Interdependence of the world economies

The interdependence of world economies will continue to increase. Economic trading blocks, sometimes dominated by a single regional power, will become significant forces. Regional instability and the national security interests of the United States will necessitate a continued need for a U.S. overseas presence and the logistics capability to support those forces.

Customers seek best value solutions

Over the next five years, customers will seek even lower cost providers as they pursue best value solutions for their logistics support. Speed, quality, cost and reliability will continue to be the principal means by which our customers assess logistics performance. DLA customer

support must become more flexible, timely, and tailored to meet their needs. More resources will be focused on customer relations management to allow DLA to excel at its ability to create value-added tailored logistics solutions. DLA will serve as a broker for commercially available logistics support of all types, through electronic malls, which allow the customer to easily locate, order and provide payment for purchases. Electronic business will be a key enabler to establish partnerships with customers to improve business processes and supply chain management. The resulting virtual logistics enterprise will dramatically reduce overhead while increasing day-to-day and surge readiness.

People--Our most important resource

Leveraging human resources will be critical. The virtual logistics enterprise will be conducted in an environment of collaborative teaming with the primary empowerment mechanism being shared knowledge across organizational boundaries. These teams will foster information flow, build communities of experts, enable learning and sharing of experiences, and support initiative and autonomy. Emphasis will be on performance-based outputs and outcomes. Leadership effectiveness evaluations will be improved, making executives and managers accountable for performance goals.

Key personnel will focus on program management and oversight as the primary role of the in-house workforce. The number of employees will continue to be reduced as DLA continues to contract out non-core functions and to reengineer processes. Tomorrow's employees will be better educated and adept at electronic business communications and will team across business lines to enhance the corporate knowledge base.

Emphasis on long-term partnerships

The trend toward industry consolidation will continue, requiring increased emphasis on long-term partnerships with our suppliers. Commer-

cial logistics support will be an increasingly viable option for best value logistics solutions and reductions in the DoD infrastructure.

Seventy (70) to 80 percent of logistics services will be delivered by contractors. Contract instruments will be increasingly performance and price based.

Information technology and security

With large sectors of the workforce geographically dispersed to team-based work sites and automated business applications moving onto the Internet using web-based technologies, security will become paramount. The potential will exist for security breaches to occur in databases, networks, and internet access sites. Public key encryption methods and network monitoring may be required to ensure integrity of the information assets. A Public Key Infrastructure (PKI) will be used for a variety of information assurance and security assets. DoD and DLA will become more vigilant against hacker attacks and cyber warfare, and will emphasize use of state-of-the-art counter-offensive tactics.

Electronic communication enables distributed work processes to take place. Virtual meetings and satellite technology will be the prevalent methods of conducting business. Procurements will be initiated and completed electronically, but will require electronic commerce technologies. Communications with our customers will be handled from anywhere in the world. There could be a significant level of short-term disruption of operations stemming from mandates designed to downsize and outsource current activities and services.

Environment

Environmental quality will continue to be a national priority. Federal agencies will serve as testbeds for new environmental products and initiatives. Federal fleets will be required to use

alternative fuel vehicles exclusively, and federal procurement officials will favor recycled and recyclable products, energy efficient, water conserving, bio-based, and a host of other environmentally friendly items. Environmental products and information services will be used strategically to maintain customer loyalty.

Civil/Military Integration

To control rising costs, DoD will maximize the use of commercial items, operations, and practices. DLA will make its business practices more attractive for commercial companies, removing barriers that discourage their participation. Acquisition reform initiatives, such as the elimination of military specifications and use of commercial practices will accelerate. Industry will be given total systems performance and process responsibility through such techniques as Single Process Initiative (SPI). SPI will be a major player in facilitating civil/military integration and the Revolution in Business Affairs which will create a better way of doing business, reduce government oversight, lower product costs, and make technical improvements. Designing and building affordable systems, cutting support and infrastructure costs, and implementing qualitative leaps in military technology will allow DoD to meet projected global defense requirements.

A shift will occur away from government designed and maintained systems toward commercial off-the-shelf (COTS) systems. This is especially true as we move toward adapting our business practices to accommodate more efficient and affordable COTS products.

Agency functions that are non-core will be competed for outsourcing to private industry under OMB Circular A-76. Strategic alliances with defense contractors will be made to facilitate the revolution in Business and Military Affairs.

OUR STRATEGIC GOALS and OBJECTIVES

These are DLA corporate goals and objectives, which support the overarching DoD goals and objectives stated in higher level documents (discussed under Linkages). Our DLA goals and objectives serve as the foundation for performance-based metrics at the Major Subordinate Command level. Individual Major Subordinate Command business and performance plans contain outcome measures and performance targets, such as measures relating to inventory and infrastructure reduction, responsiveness, customer satisfaction, outsourcing, cost reduction, and workforce development.

GOAL 1. Consistently provide responsive, best value supplies and services to our customers.
--

This goal encompasses facets that result in consistent, responsive best value service and supplies for our customers. It's all about directly linking and teaming with our customers and business partners, getting the right materiel to the right place at the right time for the best value — every time. It's about the excellence, innovation, and forward thinking necessary to develop and use breakthrough strategies and provide integrated solutions that enable us to provide first-class, exceptional customer service. Perhaps most of all, it's about customer knowledge -- understanding our customers' needs and expectations.

Objective 1.1. Meet customer expectations of quality, timeliness, information, and performance.

This broad objective encompasses cycle time reductions, long-term supplier partnerships, improved quality, advanced logistics information, and improved customer communications. To our customers, this means readiness, sustainability, and reliability. One overarching measure of our success is our customer satisfaction index. Customer wait time is a key logistics measure that reflects these program improvements from specific cycle time reductions and reengineered business processes experienced by the customer. Another key program objective is to improve weapon system readiness by partnering with our customers in acquisition decision teams.

Objective 1.2. Team with our business partners to achieve customer results.

Teaming with industry and suppliers is a critical success factor in providing value-added service to our customers. Equally important are our business partnerships with DoD, Military Services, and civilian and defense agencies. Through civil-military integration of government and industry business practices and processes, DLA is working toward meeting DoD's acquisition reform goals and fulfilling Joint Vision 2010 logistics concepts.

GOAL 2. Reduce costs--improve efficiency--increase effectiveness.

Improving the efficiency and effectiveness of our organization and being accountable for our performance is the essence of this Goal. It reinforces our commitment to our stakeholders and customers—to achieve performance and cost commitments in support of DoD corporate and logistics goals, to ensure the integrity and security of information and its infrastructure, and to support Acquisition Reform. Organizational redesign, business systems modernization, strategic sourcing, infrastructure reductions, and optimally-sized inventories are some of the methods we employ to help reduce support costs and achieve our performance and cost commitments. Many of these methods resulted from identification of cost drivers using Activity Based Costing, which DLA began implementing in August 1993.

Objective 2.1. Achieve performance and cost commitments.

We are challenged and dedicated to meet all performance and cost commitments, including those outlined in the FY2000-2005 Performance Contract between the Office of the Secretary of Defense (OSD) Defense Management Council (DMC) and DLA. Performance contracts with Defense Agencies were chartered by DMC to provide oversight on program performance, which in turn feed subsequent program budget decisions.

Objective 2.2. Serve as a catalyst for the revolution in business affairs and acquisition reform.

This objective is our commitment to DoD's revolution in business affairs and acquisition reform initiatives. It is our pledge to continually improve service to the warfighter in the areas of response time, accuracy, reliability, agility, and security. We strive to improve worldwide asset visibility and rapidly employ the latest in commercial practices and technology. These reforms improve the efficiency and effectiveness of the logistics and acquisition systems allowing our customers to shift funds to modernization efforts.

Objective 2.3. Implement commercial business-based systems and practices.

In today's rapidly changing environment, we must take advantage of and implement available commercial systems and practices. The use of commercial off-the-shelf (COTS) products as elements of larger systems is becoming increasingly commonplace. Shrinking budgets, accelerating rates of COTS enhancement, and expanding system requirements are all driving this process. The shift from custom development to COTS systems is occurring in both new development and maintenance activities. If done properly, this shift can help establish a sustainable modernization practice. Commercial business-based systems and practices advance our technology base, provide the necessary tools for our workforce to accomplish DoD goals, and assure future success.

Objective 2.4. Achieve integrity and security of information and infrastructure.

As technology continues to evolve, DLA needs to place additional emphasis on securing the integrity of our information systems, communication networks, and the data transmitted over those networks. We must employ all the measures and controls necessary to safeguard and protect information and information systems from unauthorized disclosure, modification or destruction from such threats as hackers, terrorists and foreign governments. Constant vigilance, together with continuing awareness and information assurance training, will help assure the confidentiality, integrity, authenticity, and availability of logistics information in support of the warfighter.

GOAL 3. Ensure our workforce is enabled to deliver and sustain world class performance.

Our success is contingent upon a workforce that possesses the right talents and uses knowledge-based skills in today's dynamic environment. This goal encompasses investing in the workforce in the areas of employee development and training, implementing a strategy to sustain a highly skilled and competent workforce, and fostering a positive work environment. We continually strive to provide and maintain a safe work environment, foster self-respect, value individual and team contributions, and take pride in our diverse workforce.

Objective 3.1. Invest in the workforce to ensure we have the knowledge-based skills and tools to succeed.

Responsible employers are committed to the training and development of their employees to assure performance of official duties and for the development of knowledge, skills, and abilities that support employee and organizational performance improvement. DLA is committed to providing the necessary training and development opportunities, and the tools and resources to improve individual and organizational performance. This commitment to our workforce will position DLA on the cutting edge of professional, technical, and management developments both within and outside government.

Objective 3.2. Implement a long-range strategy to sustain our workforce.

In order to maintain a highly skilled and competent workforce, DLA must implement strategies that will attract, develop, and retain high quality employees. We must maximize opportunities to cross level skills imbalances by providing mid-career development programs and opportunities for those employees who will sustain the Agency's mission well into the 21st century.

Objective 3.3. Foster a positive work environment.

We must strive to provide and maintain a safe, inclusive and healthy organization that sustains a supportive work climate and emphasizes and promotes employee development, well being, and diversity. Quality of Life initiatives will be "demand-driven" to ensure programs are targeted to meet the needs of the workforce. Outcomes must provide customer satisfaction and be measurable in terms of reduced absenteeism, improved productivity, enhanced employee recruitment and retention, and improved employee morale. A strong partnering relationship with labor management will further enhance communication and trust in the workplace.

LINKAGES

The experience DLA had as a Government Performance and Results Act (GPRA) pilot highlighted how effective the results of focus and linkage to higher plans can be. Aligning Agency strategic goals and objectives with those of DLA's operational chain of command while staying tuned to the requirements of our customers and stakeholders remains challenging, but is the only way a government agency can remain viable and credible in today's age of constant change. The real challenge - to align resources to program performance and to be able to project increased or decreased program results at varying funding levels - remains a target for incremental process improvements.

The DoD Strategic Plan is the Quadrennial Defense Review. Annex J to the DoD Annual Report to Congress is the Department Performance Plan prescribed by GPRA. DLA is fundamental to the success of the DoD Corporate Goals and the National Security Strategy in shaping the environment and enhancing the readiness of the armed forces through focused logistics. DLA has led the Department in innovative processes to improve and reduce the cost of acquisition, reduce infrastructure, and partner with industry while reducing response time to our worldwide customers. The overarching goals in this Strategic Plan aim toward greater responsiveness at further cost reductions through technology and our world-class workforce.

This revision of the DLA Strategic Plan coincides with the update of the Acquisition and Technology (A&T) Goals and Objectives and the 1999 DoD Logistics Strategic Plan. DLA was an active participant in the development of both through membership on steering committees and working groups, and worked closely with DUSD(L)(SCI) during the development of the DoD Logistics Strategic Plan. The DLA Strategic Plan is designed to bridge to and support higher organizational strategies. Likewise, within DLA, the long-range Business Plans of the three major subordinate commands (DAPS, DCMC, and DLSC) and other DLA Headquarters components (e.g., Comptroller and Chief Information Office), as well as plans of subordinate field activities will be adjusted according to new priorities and customer imperatives. Performance metrics and operational strategies are identified in the long-range Business Plans. Program evaluation is accomplished via quarterly management reviews and annual assessment of the DLA Performance Contract by DoD and the Service representatives. Further discussion is provided under the implementation segment of this plan. (See DLA/DoD goal linkage on the following chart.)

DoD and DLA Goals and Objectives**DoD Corporate Goals**

1. **Shape** the international environment and respond to the full spectrum of crises by providing appropriately sized, positioned, and mobile forces.
2. **Prepare** now for an uncertain future by pursuing a focused modernization effort... exploit the Revolution in Military Affairs, and reengineer to achieve a 21st century infrastructure.

Performance Goals

2.1 Recruit, retain, develop personnel.
(Quantity, quality, retention/attrition)

2.2 Transform military forces for future.
(Procurement spending, Defense Technology Objectives effectiveness, joint experimentation)

2.3 Streamline infrastructure through business reform.

- 2.3.1 Reduce infrastructure spending.
- 2.3.2 Reduce unfunded depot maintenance.
- 2.3.3 Increase public-private competitions.
- 2.3.4 Reduce Logistics Response Times
- 2.3.5 Increase Total Asset Visibility (TAV).
- 2.3.6 Dispose National Defense Stockpile and excess supply.
- 2.3.7 Dispose excess real property.
- 2.3.8 Defense Working Capital Funds Net Operating Results (NOR) targets.

2.4 Improve acquisition

- 2.4.1 Minimize Major Defense Acquisition Program (MDAP) cost growth.
- 2.4.2 Reduce MDAP cycle time.
- 2.4.3 Successful Operational Test & Evaluation
- 2.4.4 Increase purchase card use.
- 2.4.5 Increase paperless transactions.
- 2.4.6 Reduce acquisition workforce.
- 2.4.7 Dispose government property held by contractors.
- 2.4.8 Reengineer transportation.

**Defense Systems Affordability Council
(Acquisition & Technology) Goals**

1. Field high quality defense products quickly; support them responsively.

1.1 Reduce average systems acquisition cycle time (from program start to initial operating capability) by 50%, beginning in FY99.

1.2 Reduce Logistics Response Time (LRT) from 36 days in FY97 to <18 days by FY00, to 5 days by FY05.

1.3 Reduce repair cycle times 10% by FY00, 25% by FY01.

2. Lower Total Ownership Cost (TOC) of defense products.

2.1 Surpass or achieve CAIV (Cost as an Independent Variable) unit cost and TOC targets for $\geq 50\%$ programs by FY00.

2.2 Reduce logistics support cost per weapon system per year, 7% by FY00, 10% by FY01, 20% by FY05.

3. Reduce the overhead cost of the acquisition and logistics infrastructure.

3.1 Reduce logistics funding (2.2) and other infrastructure funding requirements from 64% of Total Obligation Authority to 62% by FY00, 60% by FY01, 53% by FY05.

3.2 Achieve annual defense procurements \geq \$54B by FY00, \$60B by FY01.

DoD 1999 Logistics Strategic Plan Goals

1. **Shape** the international environment and **respond** to the full spectrum of crises by providing appropriately sized, positioned, mobile forces.
2. **Prepare** now for an uncertain future by pursuing a focused modernization effort that maintains U.S. qualitative superiority in key war-fighting capabilities. Transform the force by exploiting the Revolution in Military Affairs, reengineer DoD to achieve a 21st century infrastructure.

Objectives and Performance Measures

1. Optimize support to the warfighter. (Mission Capable Rates through FY06; DLA develop capability to report Customer Wait Time baseline and progress)
2. Improve strategic mobility to meet warfighter requirements. (FY06 capacities; mobility infrastructure and process improvements)
3. Implement Customer Wait Time (CWT) as the DoD logistics metric. (Develop definition and measurement process by end FY00; fully implement by end FY06)
4. Fully implement joint Total Asset Visibility (TAV) across DoD (Determine methods, requirements and associated measures by end FY00; implement 100% by end FY06)
5. Reengineer/modernize applicable logistics processes/systems. (Develop modernization plan by end FY00; increase proportion of modernized systems by end FY06)
6. Minimize logistics costs while meeting warfighter requirements. (Same as A&T 2.2: Reduce logistics support cost per weapon system per year, 7% by FY00, 10% by FY01, 20% by FY05)

DLA 21 Strategic Plan Goals**1. Consistently Provide Responsive, Best Value Supplies and Services to our Customers.**

- 1.1. Meet Customer Expectations of Quality, Timeliness, Information, and Performance.
- 1.2. Team with our Business Partners to Achieve Customer Results.

2. Reduce Costs--Improve Efficiency--Increase Effectiveness.

- 2.1. Achieve Performance and Cost Commitments.
- 2.2. Serve as a Catalyst for the Revolution in Business Affairs and Acquisition Reform.
- 2.3. Implement Commercial Business Based Systems and Practices.
- 2.4. Achieve Integrity and Security of Information and Infrastructure.

3. Ensure our Workforce is Enabled to Deliver and Sustain World Class Performance.

- 3.1. Invest in the Workforce to Ensure We Have the Knowledge-based Skills and Tools to Succeed.
- 3.2. Implement a Long Range Strategy to Sustain our Workforce.
- 3.3 Foster a Positive Work Environment.

IMPLEMENTATION

“Not only must the future be imagined, it must be built; . . .
An architect must be capable of dreaming of things not yet
created—a cathedral where there is now only a dusty plain,
or an elegant span across a chasm that hasn’t yet been crossed.
But an architect must also be capable of producing a blueprint
for how to turn the dream into reality.”

Gary Hammel & C. K. Prahalad
Competing for the Future, 1994

DEPLOYMENT

The managers and employees of DLA will develop the blueprint to reach the end-state envisioned in our ultimate goal - a responsive streamlined logistic enterprise, essential to the warfighter and economical to the American taxpayer. Initially, our DLA Director, Major Subordinate Commanders (DLSC, DCMC, & DAPS) and other senior executives will introduce the DLA strategic plan to their respective managers and employees. Forums will be discretionary to accommodate differing leadership styles and organizational cultures, and historically have included town hall meetings, video addresses, and executive team briefs. After strong endorsement and establishment of expectations by senior leaders, a number of techniques will follow to promote an understanding of our goals and objectives among our customers and stakeholders and throughout the entire DLA organization.

At a minimum, we will distribute published copies to all supervisors, with copies available for distribution to our customers and stakeholders from our customer representatives and our public affairs office. Attachments for all employee I.D. cards will be printed with the DLA mission, vision, values, commitment, and goals. The Strategic Plan will be posted on the DLA web site at www.dla.mil and featured in DLA publications (e.g., DLA Dimensions, LOGLINES, etc.). The core communication of our corporate vision, goals, and objectives will be through chain teaching - where discussion of the Strategic Plan will occur at each organizational level with opportunities for leaders and employees to identify and explore new processes and to set mutual performance expectations. Execution of our corporate strategic planning goals and progress towards the DLA vision will be a rating element for all DLA Senior Executive Service managers, and will be included in all employees ratings within the next 2 years.

INTEGRATION

As the foundation of our Planning, Programming, and Budgeting System (PPBS), the mission, vision, values, goals, and objectives are embedded in our business processes and management decisions. The Strategic Plan establishes priorities and frames the agency's dialogue with DoD, Congress, and our Service customers. Strategies for achieving the goals and objectives are developed by the Major Subordinate Commands and their field activities and found in their respective long-range Business Plans and Field Activity Plans along with performance metrics. These strategies and initiatives become part of the programming phase of the PPBS and most will be subjected to business case analysis. Current programs and future programs are proposed and defended in open proposal briefings and compete with other DLA resource requirements. The product is a POM (Program Objective Memorandum) submission which tracks program and budget dollars against the strategic plan. Program performance is monitored internally via quarterly management reviews. Also, the Defense Management Council (DMC) (with review and input from the Services) uses performance contracts with Defense agencies to monitor program performance.

PROGRAM EVALUATION

We continue to strive to identify the best measures for our programs. Managers and employees now readily recognize the value of programmatic measures in tracking corporate results. Measures and tracking will continue to improve as system modernization increases.

In FY 1994 DLA reinvented its programming process. At the same time we were beginning to implement GPRA as a whole-agency pilot. Thus, in considering the implications and advantages of performance budgeting, we required linkage to the Strategic Plan and measures and cost analysis of initiatives presented by our businesses during their POM (Program Objective Memorandum) proposals. We now weigh the value of our programs both in dollars and performance across our projected 6 year budget (present year plus 5 years) in the DoD POM process. Our POM process is our decision-making instrument for planning resource investments and estimating projected savings for reinvented processes and initiatives. In our POM briefs, each business area projects and defends its programs and quantifies the financial impact of specific initiatives across the POM years. (ABC has been a useful tool to identify reengineering candidates.) This POM process has opened an avenue with our Service customers.

When the Defense Management Council instituted performance contracts for the Defense agencies in FY98, DLA was among the first agencies to comply. The performance contract is updated at the end of the POM and after the President's budget. The performance contract is tracked both internally and with OSD. Annually, in a front-end assessment, the performance against the past year's metrics is reviewed and compared to current performance. The dialogue with the Service customers and the OSD budget office keeps our focus on tracking and spending on what is important to the customer.

CONSULTATION

DLA exists to provide logistics support to the Armed Forces. That mission demands continuous communication with our customers and stakeholders. Despite constant change brought by information technology, satellite communication, and global commerce, DLA has remained close to its customers. This familiarity with the customers' environment allows us to anticipate customer needs and has led DoD in innovative logistics reforms and electronic communication. We are always looking for innovative ways to answer our customers' call for faster, cheaper products and services. Examples include Electronic Commerce/Electronic Data Interchange (e.g., electronic shopping, electronic file visibility, and electronic contract payments); Acquisition Reform (e.g., Prime Vendor and PROCAS); and infrastructure reduction (e.g., depot consolidation, inventory reduction). Our stakeholders (DoD, Congress, and industry contractors) have echoed the customer demand for more responsive delivery at greater value, and have called for greater privatization and streamlined organizations.

Customer and stakeholder feedback will continue to direct our priorities and focus DLA's reinvention efforts in implementing this Strategic Plan. Successful consultation techniques previously used include:

1. Regular interaction and communications with Congressional staffs, Office of the Secretary of Defense (OSD)/CINCS/Service staffs), DLA Service Days (Army, Navy, Air Force days held annually), DCMC Board of Directors (senior acquisition executives), customer surveys, and site visits.
2. Regular dialogue with key stakeholders—the Joint Chiefs of Staff (JCS), OSD, the CINCs, the Service Chiefs, and the JLC (Joint Logistics Council)—specifically focused on their changing mission requirements as new electronic processes were being designed and tailored to shorten delivery times and cut cost. Users and stakeholders will continue to have a vote in DLA's on-going reinvention efforts.
3. An independently conducted survey of stakeholders, in preparation for the Strategic Planning Summit for this revised Strategic Plan. The DLA Strategic Planning Team will conduct the next stakeholder survey within the FY00-05 timeframe.
4. Independent customer and supplier surveys provided additional information for the deliberations and discussion in preparation of this plan.

CROSS-CUTTING ENDEAVORS

DLA is committed to finding improvements and savings not only among Department of Defense activities, but also across government in partnership with other federal and state government agencies. Elimination of redundancies, reengineered processes and application of technology in partnership with industry have provided and continue to provide opportunities for savings and efficiencies. On the larger scale of discerning savings and efficiencies across government, we recognize our responsibility to share methods and program reinvention successes with other federal agencies.

Toward that end, DLA partners with civil and state agencies across government to improve delivery of services at reduced taxpayer cost. Examples include:

1. Procurement of produce for 38 state schools under a DLA/Department of Agriculture joint effort.
2. Partnering with the Federal Emergency Management Agency (FEMA) under the Emergency Response Program to provide logistics support during domestic disasters/contingencies.
3. Partnering with AMTRAK to save \$232,000 to date by adding AMTRAK's 13.6 million gallon fuel requirement to the Defense Energy Supply Center's contract to leverage lower prices.
4. Transfer of excess property to support state and local law enforcement offices.
5. Procurement of energy efficient lighting for government building (state or federal).
6. Procurement of natural gas for 151 DoD installations and 59 federal installations (General Services Administration, Department of Veterans Affairs, National Aeronautics and Space Administration, Federal Bureau of Prisons, Department of Energy) for \$51.3m savings FY91-FY98.

Executive Management Team Commitment

We reaffirm our commitment to work with our DLA employees
and with our customers, stakeholders, and industry and government partners,
to achieve the goals and objectives of this Strategic Plan.



Henry T. Glisson

Lieutenant General Henry T. Glisson, USA
Director



Edward R. Chamberlin

Rear Admiral Edward R. Chamberlin, SC, USN
Deputy Director



Gordon R. Taft

Sergeant Major Gordon R. Taft, USA
Senior Enlisted Advisor



Timothy P. Malishenko

Major General Timothy P. Malishenko, USAF
Commander, Defense Contract Management Command



D. P. Keller

Rear Admiral David P. Keller, SC, USN
Commander, Defense Logistics Support Command



Linda J. Furiga

Dr. Linda J. Furiga
Comptroller



Gary S. Thurber

Mr. Gary S. Thurber
Director, Corporate Administration



Carla von Bernewitz

Ms. Carla von Bernewitz
Chief Information Officer



Bruce Baird

Mr. Bruce Baird
General Counsel



Marshall Bailey

Dr. Marshall Bailey
Director, Defense Automated Printing Center